

The Retailers' Occupation Tax Act provides, in part, that all tangible personal property to be used or consumed within an enterprise zone in the process of the manufacturing or assembly of tangible personal property for wholesale or retail sale or lease if used or consumed at a facility which is a Department of Commerce and Community Affairs certified business and located in a county of more than 4,000 persons and less than 45,000 persons is exempt from the Retailers' Occupation Tax. See 86 Ill. Adm. Code 130.1951. (This is a GIL).

July 17, 2000

Dear Xxxxx:

This letter is in response to your letter to Mike Klemens dated July 3, 2000. The nature of your letter and the information you have provided require that we respond with a General Information Letter, which is designed to provide general information, is not a statement of Department policy and is not binding on the Department. See 2 Ill. Adm. Code 1200.120(b) and (c), which can be found on the Department's Web site at www.revenue.state.il.us/legalinformation/regs/part1200.

In your letter, you have stated and made inquiry as follows:

Per our conversation today regarding the DCCA ruling regarding the 6.25% exemption for COMPANY, this should be increased to 6.5% because they invoked a .25% under the Safety Act for a new county jail. Our total base is 5% state, 1% municipality and .50% county, which totals 6.5% for NAME County. Please send me a letter ruling exempting COMPANY of the total amount of 6.5%. I would appreciate this as soon as possible so we can adjust our computer accordingly.

The Retailers' Occupation Tax Act imposes a tax upon persons engaged in the business of selling at retail tangible personal property at the rate of 6.25%. 35 ILCS 120/2-10 (1998 State Bar Edition). In addition, under the Special County Occupation Tax For Public Safety Law, 55 ILCS 5/5-1007 (1998 State Bar Edition), La Salle County imposes a tax upon persons engaged in the business of selling at retail tangible personal property at the rate of 0.25%.

The Retailers' Occupation Tax Act provides, in part, that all tangible personal property to be used or consumed within an enterprise zone in the process of the manufacturing or assembly of tangible personal property for wholesale or retail sale or lease if used or consumed at a facility which is a Department of Commerce and Community Affairs certified business and located in a county of more than 4,000 persons and less than 45,000 persons is exempt from the Retailers' Occupation Tax. 35 ILCS 120/1d (1998 State Bar Edition). In addition, all tangible personal property to be used or consumed in the operation of pollution control facilities within an enterprise zone is exempt from the Retailers' Occupation Tax. 35 ILCS 120/1e (1998 State Bar Edition). See the enclosed copy of 86 Ill. Adm. Code 130.1951.

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The Special County Occupation Tax For Public Safety Law incorporates Sections 1d and 1e of the Retailers' Occupation Tax Act. Therefore, Department of Commerce and Community Affairs certified businesses that are exempt from Retailers' Occupation Tax under Sections 1d and 1e of the Retailers' Occupation Tax Act are similarly exempt from tax under the Special County Occupation Tax For Public Safety Law.

I hope this information is helpful. The Department of Revenue maintains a Web site, which can be accessed at www.revenue.state.il.us. If you have further questions related to the Illinois sales tax laws, please contact the Department's Taxpayer Information Division at (217) 782-3336.

If you are not under audit and you wish to obtain a binding Private Letter Ruling regarding your factual situation, please submit all of the information set out in items 1 through 8 of the enclosed copy of Section 1200.110(b).

Very truly yours,

Gina Roccaforte
Associate Counsel

GR:msk
Enc.